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Senate Bill 254 (Substitute S-2)
Committee: Appropriations

FY 2008-09 Year-to-Date Gross Appropriation (does not include Federal stimulus amounts or reductions taken in EO 2009-22)..... **\$3,612,229,200**

Changes from FY 2008-09 Year-to-Date:

- 1. **Debt Service.** The Governor and Senate increased funding for debt service payments. 59,133,700
- 2. **Grants to Other Departments.** The Governor and Senate adjusted funding for IDGs. (234,600)
- 3. **Federal Aid Road Construction.** The Governor and Senate decreased expenditures for Federal aid road construction to reflect anticipated revenue. (246,049,300)
- 4. **State Restricted Revenue.** The Governor and Senate decreased expenditures for road and bridge programs to align them with anticipated revenue. The reductions are: State Trunkline Roads - \$63,431,000; County Road Commissions - \$29,164,700; Cities and Villages - \$16,260,700; and Local Bridge Program - \$1,431,800. (110,288,200)
- 5. **Capital Outlay.** The Governor and Senate reduced expenditures for the Airport Safety and Protection Plan and Buildings and Facilities to reflect anticipated revenue. (50,910,000)
- 6. **Comprehensive Transportation Fund (CTF).** The Governor and Senate decreased expenditures from the CTF to more closely align them with anticipated revenue. (9,871,800)
- 7. **CTF Transfer to GF.** The Senate transferred CTF monies to the General Fund. Reductions were taken from the following: Freight Services Admin (\$308,300); Passenger Services Admin (\$898,000); Specialized Planning Svcs (\$215,300); Bus Operating (\$4,283,400); Detroit/Wayne Co. Port Authority (\$100,000); Rail Passenger Svc-Amtrak (\$2,000,000); Municipal Credit (\$500,000); Bus Capital (\$3,000,000); Van Pooling (\$195,000). (11,500,000)
- 8. **Transportation Economic Development Fund.** The Senate transferred funding from Category A – Targeted Industries to the General Fund. (12,000,000)
- 9. **Safe Routes to Schools.** The Governor and Senate increased Federal expenditures. 2,500,000
- 10. **Forest Roads.** The Governor and Senate eliminated Transportation Economic Development Fund moneys for truck inspection stations. (40,000)
- 11. **Intelligent Transportation Systems (ITS).** The Governor and Senate increased funding for increased costs and expansion of the Grand Region Ctr to 24-hour operations. 612,600
- 12. **CTF Shift.** The Senate shifted \$25,400 from Business Support to Marine Passenger Svcs. 0
- 13. **Other Revenue-based Adjustments.** The Governor and Senate adjusted expenditures from various funds to reflect anticipated revenue. 3,624,500
- 14. **Economic Adjustments.** The Governor and Senate added standard economic increases, none of which were funded through the General Fund. 6,872,000
- 15. **Other Changes.** The Governor and Senate recommended other adjustments including: Microsoft upgrade - \$509,300; Michigan Business One-Stop Portal - \$97,300; DIT economics increases - \$222,900; DIT administrative reduction - \$12,500; reductions for allocation adjustments - \$277,200; and increases for administrative adjustments - \$3,000. 542,800
- 16. **Comparison to Governor's Recommendation.** The Senate is \$23,500,000 Gross below the Governor and \$0 GF/GP from the Governor.

Total Changes..... **(\$367,608,300)**

FY 2009-10 Senate Gross Appropriation..... **\$3,244,620,900**

Changes from FY 2008-09 Year to Date:

1. **Legislative Reports.** The Governor removed: privatization (Sec. 207); out-of-state travel (Sec. 260); funding formulas (Sec. 394); policy changes implementing legislation (Sec. 263); amounts received in a legislative district (Sec. 303); compliance with contract specifications (Sec. 308); activities of internal auditor (Sec. 314); use of women and minority-owned businesses (Sec. 334); Multi-Modal Transportation Services Bureau activities (Sec. 361); status of deferred projects (Sec. 376); travel on department-owned aircraft (Sec. 383); development of warranties (Sec. 601); mandrel testing of manufactured pipe (Sec. 602); contract incentives/disincentives (Sec. 612); rail line abandonment (Sec. 703); CTF balance (Sec. 740); progress on improvements to Ann Arbor and NW Michigan railroad (Sec. 741); and status of airport improvement projects (Sec. 902). The Senate restored all of the language.
2. **Restrictions on Departmental Operations.** The Governor removed: hiring freeze (Sec. 205); report retention (Sec. 211); IT work projects (Sec. 258); disciplinary action against an employee who speaks to the Legislature (Sec. 261); adoption of a rule with disproportionate impact on small business (Sec. 263); continuous improvement efficiency mechanisms (Sec. 264); travel by more than one employee (Sec. 265); rest area maintenance signs (Sec. 319); contractor payment (Sec. 353); local Federal aid project review (Sec. 357); electronic employee newsletters (Sec. 374); prohibitions on use of State aircraft (Sec. 383); public transportation best practices (Sec. 393); use of traffic congestion as project criteria (Sec. 603); dead animal removal (Sec. 610); contract incentives/disincentives (Sec. 612); Mackinac Bridge Authority mission (Sec. 654); use of historical data from other states when MI data not available (Sec. 659); rail infrastructure loan program (Sec. 705); essential bus route corridors (Sec. 709); bus acquisition capital grants (Sec. 721); match funds for job access reverse commute grants (Sec. 722); sale of State-owned intercity bus equipment (Sec. 730); intermodal facility lease charges (Sec. 731); high quality public transit (Sec. 734); and coordination of intercity passenger transportation (Sec. 736). The Senate restored all except Secs. 393 and 705.
3. **Detroit River Crossing.** The Governor deleted all language concerning the DRIC study. Specifically, that language allowed completion of the study provided that the State was not bound to construction; allowed certain preliminary activities to prepare a proposal for the Legislature (applications for permits, preliminary design work, preliminary utility planning and relocation, preliminary financial and funding arrangements); required a quarterly report; allowed advanced property acquisitions during the study so long as they did not bind the State to future action. The Senate restored the language relating to allowing the listed preliminary activities and the quarterly reports and added language requiring preliminary activities to be completed and a proposal submitted by March 31, 2010. (Sec. 384)
4. **Appropriation Earmarks.** The Governor removed earmarks: \$500,000 - "Give 'em a Brake" campaign (Sec. 324); \$40,000 TEDF - forest road turnouts (Sec. 608); \$32,000 - Safe Routes to School - Eaton Rapids (Sec. 655); and \$100,000 - intercity bus service development (Sec. 729). The Senate restored all of the Sections except Sec. 608.
5. **Specified Projects.** The Governor removed language regarding specific projects: State assumption of Co Rd C-56 in Charlevoix County (Sec. 395); criteria for stations on Ann Arbor/Detroit rail line (Sec. 397); ramp at I-75 at Corunna Rd in Flint (Sec. 607); interchange at M-48/I-75 in Chippewa County (Sec. 615); I-75 service drive in Hazel Park (Sec. 617); upgrade of M-49 (Sec. 656); interchange at I-196/Phoenix Road in South Haven (Sec. 658); and construction of a Birmingham/Troy intermodal facility (Sec. 737). The Senate restored all except Secs. 397, 607, and 617.
6. **Rail Passenger Service - Amtrak.** The Governor removed: seven-day service requirement; cap on the subsidy; stipulation that future support depends upon increased ridership and route revenue; and stipulation that the subsidy will not be provided if service is discontinued on certain routes (Sec. 711). The Senate restored the language with the exception of the seven-day service requirement.
7. **Permit Fees.** The Governor revised language to direct fees to "an appropriate fund" rather than the STF (Sec. 301).
8. **Street Railway Appropriation.** 2008 PA 487 directs the Governor to include an appropriation to a nonprofit street railway in the annual budget recommendation. This appropriation is to be the difference between the railway's operating expenses and revenue. For FY 2009-10, the appropriation is \$0. (Sec. 742)
9. **Capital Outlay Allocations.** The Governor added language requiring statutory allocation of lump-sum appropriations and specifying that lump-sums are available for no more than three fiscal years. (Sec. 902)
10. **Alternative Surface Materials.** The Senate added language encouraging the use of alternative materials. (Sec. 660)
11. **Hybrid Electric Vehicles (HEV).** The Senate added language for an HEV option in Requests for Proposals. (Sec. 743)
12. **Mobility Manager.** The Senate added language encouraging local agencies to hire a mobility manager. (Sec. 744)
13. **US 127.** The Senate added language concerning completion of the expressway project for US 127. (Sec. 661)

Date Completed: 6-10-09

Fiscal Analyst: Debra Hollon

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations.